
THE OFFERING

Sunlight REIT	Sunlight Real Estate Investment Trust is a collective investment scheme constituted as a unit trust by the Trust Deed and authorised under section 104 of the SFO.
The Manager	Henderson Sunlight Asset Management Limited.
The Trustee	HSBC Institutional Trust Services (Asia) Limited.
The Hong Kong Public Offering	An initial offer of 104,538,000 Units to the public in Hong Kong, subject to adjustment and reallocation.
The International Offering	An initial offer of 940,832,362 Units to institutional, professional and other investors.
The Preferential Offering	An initial offer of 63,049,362 Units to Qualifying HLD Shareholders out of the Units being offered under the International Offering.
The Offering	A total offering of 1,045,370,362 Units and consisting of the Hong Kong Public Offering, the International Offering and the Preferential Offering (as part of the International Offering), subject to adjustment and the exercise of the Over-allotment Option.
Reallocation of Units	The Units to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated between these offerings. See the section headed “Structure of the Offering” in this Offering Circular.
Structure	The Units are being offered and sold outside the United States in reliance on Regulation S under the US Securities Act. The Units have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.
Offer Price Range	The Offer Price of the Units (which will be denominated in Hong Kong dollars) will not be more than HK\$2.60 and is currently expected to be not less than HK\$2.45.
Charges Payable by Investors	In addition to the Maximum Offer Price, investors applying for Units must pay brokerage of 1%, Hong Kong Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.004%, subject to refund if the Offer Price is lower than the Maximum Offer Price.

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Over-allotment Option

The Joint Global Coordinators are expected to be granted the Over-allotment Option by SKFE and HLD, exercisable in full or in part, on one occasion on or after the Listing Date but before the expiry of 30 days after the last day for lodging Application Forms under the Hong Kong Public Offering, to purchase from SKFE and HLD (or any of their respective wholly-owned subsidiaries which holds Units) in the proportions of approximately 84.7% and approximately 15.3% respectively up to an aggregate of 104,538,000 Units. The exercise of the Over-allotment Option will not increase the total number of Units in issue following the Offering. The total number of Units subject to the Over-allotment Option will represent approximately 10% of the total number of Units under the Offering.

Use of Proceeds

See the section headed “Use of Proceeds” in this Offering Circular for details of how the proceeds from the Offering will be applied.

Subscription by SKFE and HLD

Separate from the Offering, each of SKFE and HLD has entered into a subscription agreement with the Manager pursuant to which they have agreed to subscribe for 374,072,708 Units and 67,569,930 Units respectively at the Offer Price through their respective wholly-owned subsidiaries, conditional upon the Underwriting Agreements becoming unconditional and not having been terminated pursuant to their terms on or prior to the Listing Date.

Lock-ups

Each of SKFE and HLD has entered into certain lock-up arrangements with the Underwriters in relation to Units to be acquired under the SKFE Subscription Agreement and the HLD Subscription Agreement respectively for a period of six months from and including the Listing Date, subject to certain exceptions. See the section headed “Underwriting” in this Offering Circular.

Market Capitalisation

HK\$3,643.2 million, based on the Minimum Offer Price to HK\$3,866.2 million, based on the Maximum Offer Price.

NAV per Unit upon Completion of the Offering

HK\$2.76, based on the Minimum Offer Price and HK\$2.76, based on the Maximum Offer Price.

Adjusted NAV per Unit upon Completion of the Offering

HK\$3.58, based on the Minimum Offer Price and HK\$3.58, based on the Maximum Offer Price.

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Listing and Trading

Prior to the Offering, there has been no market for the Units.

Preliminary approval has been granted by the Hong Kong Stock Exchange for the listing of, and permission to deal in, all the Units on the Main Board of the Hong Kong Stock Exchange. Dealings in Units on the Hong Kong Stock Exchange are expected to commence on Thursday, 21 December 2006. If the Hong Kong Stock Exchange grants formal approval for the listing of, and permission to deal in, the Units on the Main Board of the Hong Kong Stock Exchange and Sunlight REIT complies with the stock admission requirements of HKSCC, the Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS, with effect from the date of commencement of dealings in the Units on the Hong Kong Stock Exchange or any other date that HKSCC chooses. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second Hong Kong Stock Exchange business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Units to be admitted into CCASS.

Stabilisation

In connection with the Offering, the Stabilising Manager may over-allocate or effect transactions with a view to supporting the market price of the Units at a level higher than that which might otherwise prevail for a period of 30 days after the last date for lodging Application Forms under the Hong Kong Public Offering.

No Redemption Right for Unitholders

Unitholders have no right to request that the Manager or Sunlight REIT redeem their Units at any time. Listing of the Units on the Hong Kong Stock Exchange does not guarantee a liquid market for the Units.

Profit Forecast (for the period from the anticipated Listing Date to 30 June 2007)

The Manager forecasts that, in the absence of unforeseen circumstances and on the basis and assumptions set out in the section headed “Profit Forecast” in this Offering Circular, the net profit after tax of Sunlight REIT for the period from the anticipated Listing Date to 30 June 2007 will be not less than HK\$62.8 million. For further details, including the principal assumptions on which the forecast is based, see the section headed “Profit Forecast” in this Offering Circular.

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Distributions

The Manager's policy is to distribute to Unitholders as dividends an amount equal to 100% of Sunlight REIT's Annual Distributable Income for each financial year as more fully described in the section headed "Distribution Policy" in this Offering Circular. Pursuant to the Trust Deed, Sunlight REIT is in any event required to distribute at least 90% of its Annual Distributable Income for each financial period. Distributions will be declared in Hong Kong dollars.

See the section headed "Risk Factors" in this Offering Circular for a discussion of factors that may adversely affect the ability of Sunlight REIT to make distributions to Unitholders.

Statement of Distributions

Sunlight REIT intends to achieve distributions per Unit (after taking into account the Distribution Waiver) of not less than HK\$0.1161 based on the Minimum Offer Price and HK\$0.1162 based on the Maximum Offer Price in respect of the period from the anticipated Listing Date to 30 June 2007, representing an annualised distribution yield of 9.01% based on the Minimum Offer Price and 8.49% based on the Maximum Offer Price (excluding other transaction costs). See the section headed "Profit Forecast" in this Offering Circular for a detailed calculation of the distribution yield based on the Minimum Offer Price and Maximum Offer Price.

Adjustment Payments, Distribution Waivers and DPU Guarantees

See the sections headed "Material Agreements and Other Documents Relating to Sunlight REIT — Deeds of Adjustment Payments", "— Deeds of Distribution Waiver" and "— DPU Guarantees" in this Offering Circular.

Tax Considerations

See the section headed "Taxation" in this Offering Circular for further information on certain tax consequences of the purchase, ownership and disposition of the Units.

Governing Law

The Trust Deed, pursuant to which Sunlight REIT is constituted, is governed by Hong Kong law.

Termination of Sunlight REIT

Sunlight REIT may be terminated by the Trustee or the Manager in the circumstances set out in the Trust Deed. See the section headed "The Trust Deed" in this Offering Circular for further information.

Risk Factors

Prospective investors should carefully consider the risks connected with an investment in the Units. Certain of these risks are discussed in the section headed "Risk Factors" in this Offering Circular.